

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

A. Schonbek & Company, Inc.

New York Manufacturing Extension Partnership

Schonbek Reduces Manufacturing Costs by Converting from Propane to Natural Gas

Client Profile:

Schonbek Worldwide Lighting, Inc., manufactures custom crystal chandeliers and associated lighting products. Founded in Bohemia in 1870, the company eventually established its headquarters in Plattsburgh, New York, and today has nearly 400 employees at its Plattsburgh facility.

Situation:

Schonbek, which uses a significant quantity of propane in its manufacturing processes, was concerned with rising fuel needs and volatile energy prices. As a result, Schonbek's management retained the services of the Council for International Trade, Technology, Education and Communication (CITEC), the New York Manufacturing Extension Partnership (NYMEP), a NIST MEP network affiliate, regional center for New York's North Country to investigate the economic impacts of a possible fuel conversion from propane to natural gas.

Solution:

Based on discussions with Schonbek staff, CITEC's energy and utilities expert, Keith Pitman, identified and evaluated reasonable fuel supply options that would minimize and stabilize Schonbek's long-term fuel expenses. Keith used Schonbek's current and projected energy requirements along with the current and forecasted cost of propane and natural gas to compare the cost of the two energy sources over a ten-year period. Subsequently, Keith recommended Schonbek convert from propane to natural gas based on a projected cost savings of \$25,000 per year in the first year, increasing to \$65,000 annually by the end of the ten-year forecast period.

Results:

- * Converted from propane to natural gas.
- * Produced savings of 15 percent to 20 percent.
- * Anticipate increased competition in global marketplace.

Testimonial:

"It is gratifying to see our projected savings being realized. CITEC was an effective partner in developing and implementing this strategy and we look forward to exploring other opportunities to become more cost efficient."

Jeff Kinblom, Director of Operations